

Council/Agency Meeting Held: _ _____ Deferred/Continued to: _____ <input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	_____ City Clerk's Signature
Council Meeting Date:                      March 7, 2011	Department ID Number:              ED 11-010

## CITY OF HUNTINGTON BEACH REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Fred A. Wilson, City Manager

**PREPARED BY:** Bob Hall, Deputy City Manager

**SUBJECT:** Approve selection of Active Network, Inc. to provide Municipal Marketing Consulting Services, and authorize execution of a Professional Services Contract

**Statement of Issue:** Approve selection of Active Network, Inc. to provide municipal marketing consulting services. Active Network will look at potential sponsorship opportunities for various City facilities and programs. Active Network will develop marketing materials to find potential partners.

**Financial Impact:** No direct costs for the services. If successful, sponsorships are obtained. Active will be paid a commission.

**Recommended Action:** Motion to:

Approve and authorize the Mayor and City Clerk to execute all documents necessary for the Professional Services Contract between the City of Huntington Beach and Active Network, Inc. for Municipal Marketing Consulting Services.

**Alternative Action(s):**

Do not approve the selection and direct staff as appropriate.

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**Analysis:** The nature of the current economy has created a need for public agencies to become more creative in identifying alternative sources of revenue. Public agencies throughout the nation, including Huntington Beach, have engaged in partnerships with private companies in recent years to generate revenue from private companies in exchange for the ability of a company to, for example, sponsor or receive naming rights for a public facility, or other types of recognition. California agencies that have been actively involved in similar projects include San Diego, Garden Grove, Costa Mesa, Glendale, Santa Clara County, the Los Angeles Unified School District, and Moreno Valley. Successful programs have also been implemented in Colorado Springs, CO; Las Vegas, NV; Arlington, TX; and Arlington County, VA, to name but a few. Most of these agencies contract with an outside consultant to locate, negotiate, and to provide ongoing management of these public-private relationships.

Huntington Beach is considered one of the pioneering agencies in this realm, having engaged several years ago in the nation's first municipal partnership with Coca-Cola, which is no longer active, but produced significant revenue throughout its ten-year lifetime. There are currently agreements in place with Abercrombie & Fitch/Hollister to provide revenue to the City in exchange for the rights to mount cameras facing the Pier and broadcast the live images into Hollister stores nationwide. In addition, Toyota supplies Marine Safety motor vehicles in exchange for recognition as the "Official Vehicle of Huntington Beach."

As private companies have continued to demonstrate interest in partnership programs nationwide, staff published a Request for Qualifications (RFQ) in December 2010 to determine which, if any, consulting firms were qualified to provide service to Huntington Beach to deliver these programs. The RFQ was posted on the City's website, sent to the Chamber of Commerce, and a copy of the RFQ was directly sent to 27 firms. A total of seven proposals were received. The proposals were evaluated by representatives from Administration, Community Services, Economic Development, and Finance Departments. The three firms considered most qualified were interviewed by the evaluation committee. As a result, Active Network, Inc. was selected to serve as the City's municipal marketing consultant.

Active Network is a Huntington Beach-based firm located Downtown and was known previously as Public Enterprise Group, which was responsible for the creation of the prior beverage rights partnership between the City and Coca-Cola. Since that time, Active Network has developed a reputation for creating fruitful partnerships for Santa Clara County, Costa Mesa, Glendale, Lancaster, Garden Grove, Long Beach, Moreno Valley, Las Vegas, NV, Arlington, TX, Colorado Springs, CO, and the New York Health and Hospital Corporation. Their success has included naming rights for the Volcom Skate Park in Costa Mesa, multi-year beverage and snack rights, provision of in-kind equipment, media services, bus shelter advertising, and sponsored recycling programs. They are also under contract to several other cities nationwide to develop similar programs for them.

As the municipal marketing consultant for Huntington Beach, Active Network will evaluate the revenue potential of the various City facilities and programs, create marketing materials, and then utilize their expertise in the field to market Huntington Beach to potential partners nationwide. They will work with the City to negotiate agreements with approved partners, and

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help to implement the program by developing performance protocols, evaluating performance, and ensuring programs are implemented as agreed. In exchange for their efforts, Active Network will receive a 15 percent commission on all revenues it raises for the City upon successfully negotiating and closing any sponsorship and partnership contracts. If Active does not generate revenue, they will not be paid for their efforts, including any necessary travel expenses they may incur in order to meet with potential partners.

While proposals were received from highly-qualified firms throughout the nation, the most qualified and appropriate firm was determined to be in our own community. Selection of a local business for this important task illustrates the City's efforts to support the local business base as much as possible, as identified in the City's Ten Point Plan for Local Business.

**Environmental Status:** None

**Strategic Plan Goal:** Maintain financial viability and our reserves

**Attachment(s):**

No.	Description
1.	Request for Qualifications for Municipal Marketing Consulting Services
2.	Firms Directly Provided with the RFQ for Municipal Marketing Consulting Services
3.	Response to Request for Qualifications from Active Network, Inc.